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LONG ISLAND CITY REDEVELOPMENT PLAY SHOPPED

Modern Spaces' Commercial & Investment Property Group and The Corcoran Group are seeking a buyer for a portfolio of seven townhouses in Queens, NY, that is being marketed as a redevelopment play. The lots, which came to market in mid-January, are listed for approximately \$40m but could trade higher than the asking price due to aggressive bidding, estimated Evan Daniel, executive v.p. of Modern Spaces' commercial division.

A potential buyer could demolish the properties in favor of a mixed-use tower, Daniel said. The proposed 40-story development in Long Island City likely would include retail, office and residential space.

The sale has already received several offers from local players in Long Island City and Manhattan, as well as international buyers from India, China and Europe, Daniel stated. "It was a challenge to put this sale together," he explained. "Some of the owners weren't sure about the value because you can't really know what a property is worth until it's on the market. We've spent a lot of time going to them one by one and educating [them] about the potential to develop this unique asset that will contribute to the transformation of the area."

The partnership expects to come to a decision on a contract soon, as months of planning will need to take place before the project is able to break ground. A study of

the area's zoning showed that it will allow for bulk development with a designated amount of land, which means that all of the townhouse owners have to agree to sell, Daniel said. "This is a unique zoning situation, so the buyer will need to really spend time researching and working together with the sellers and the city on planning the project," he stated.

Because of this, development is not expected to begin for approximately eight months after the sale and the entire project will not be delivered for another approximate two to three years. "We're several years away from seeing the finished product, but when it is complete, it will provide another major asset for the area," Daniel said. "The commercial component is going to be very beneficial to the surrounding community."

The plans for the proposed tower include a commercial mixed-use building with ground floor retail, office space and luxury condos to serve the area's growing demand. "There is not a lot of [new] Class A office space in the area right now, because all of the current office space has been converted from industrial buildings that provide Class B and C space," Daniel explained. "Demand for Class A office is only going to grow when Roosevelt Island finishes developing the Cornell Tech campus, and it would be good for the area to have a mix of class A, B and C space."



Queens, NY: A booming commercial market

The commercial real estate market in Queens is continuing to gain recognition from domestic and international investors and is already experiencing widespread development, Daniel said. Since Modern Spaces' Commercial & Investment Property Group launched in August, it has been named the exclusive sales agent for 10 commercial properties in Queens, with a total dollar volume of approximately \$115m. The group remains bullish on Queens and will seek additional opportunities throughout the year, Daniel explained. "We're just at the beginning in Queens," he said. "There are thousands of units planned for development and cranes on every block. It's really turning into a mini-city that sits next to Manhattan, and I'm glad it's getting the recognition it deserves from domestic and foreign capital."